

# *Food as a Political Weapon in Chile*

A Senior Honors Thesis

Presented in Partial Fulfillment of the Requirements for graduation “with Honors Research Distinction in Spanish” in the undergraduate colleges of The Ohio State University by

Amy Gutmann Fuentes

The Ohio State University March 2020

Project Advisor: Ignacio Corona, Department of Spanish & Portuguese

## I. ABSTRACT

*This paper hypothesizes that the foundations of the current Chilean economy were established and molded by the Pinochet dictatorship (1973-1990) in order to serve the interests of U.S. transnational companies and the elite of Chile. Using CIA investigation reports on the US intervention in Chile, research on the “Chicago Boys” economists and testimonios from Chilean protestors, this paper examines the impact these economic policies have had on the health and wellbeing of Chileans today.*

## II. INTRODUCTION

The Chilean dictatorship (1973-1990) is a memory that still permeates the Chilean psyche in many aspects of life. In the Atacama Desert, mothers of *desaparecidos* or “missing people” still search for their children’s bones in the sand, people old enough to have lived through the 1970’s still remember the violence and panic culminating in the military coup and many people are certain that their low wages and growing privatization are linked to economic transformations rooted in the CIA intervention during Allende’s presidency and the rewriting of the constitution during Pinochet’s dictatorship in 1980, replacing the constitution of 1925.

Beyond the emotional scars permanently etched into Chile’s historical memory, a particularly compelling aspect of this lingering impact is the effect that the dictatorships’ economic policies have had on the long-term health and wellbeing of Chileans today.

This paper theorizes that, throughout the Allende and Pinochet presidencies, access to food and the availability of certain foods have been used as political weapons, either by

the CIA or the government itself, in order to either stir panic or otherwise pacify the working class to manipulate public opinion in favor of Capitalism and a laissez faire economy.

The problem lies in the rich façade that the economy has built for the country with these open market policies. “Studies of economic restructuring by the Pinochet regime in Chile have emphasized the narrowness of the political and social coalition supporting orthodox policies [...] the goal of constructing a more homogenous nation is inconsistent with the denationalization of civil society promoted by the most transnational actors within society and with their orientation toward a pattern of capital accumulation which cannot remain confined within the local market” (Rabkin 3).

Yes, Chile has modern supermarkets, a booming GDP and an economy that competes on the global scale, but these economic benefits mean little for the working class employed by these transnational companies. The drastic changes in the Chilean market between the 1970’s and today have allowed the modern markets to exploit the Chilean working class with meager salaries while offering goods that are inaccessible to the very group they employ. The explosion of health problems related to heart disease, diabetes and obesity suggest that Chileans are still lacking the nutritional value that traditional, locally sourced dishes once offered, and as the local economies disappear, Chileans are left with less options for nutrient rich foods, even as the supermarkets offer a wider range of imported, high calorie, low cost goods.

Transnational companies like Walmart, Nestle, Pepsico and General Mills appeared to offer a solution to Chilean malnutrition and food scarcity that existed before the 1990s with a range of American goods that suddenly flooded the market with foods that

had been inaccessible before the open market economic policies of the dictatorship took effect- these new transnational markets bolstered the GDP to make Chile one of the richest Latin American countries, as well as making Chile appear like a westernized, wealthy society in terms of its economy.

Despite this, working class Chileans have not seen the same economic advancements as the elite, with Chile having one of the widest income inequality gaps in the world “65% wider than the OECD average” according to a report by Reuters (Jones, 1).

The radical change in the market has imposed various health consequences for working class Chileans, who have had their local economies overrun by transnational businesses. The local economy is disappearing, and although food scarcity is no longer an issue, accessibility is limited by the meager wages that the transnational companies use to maximize their profits.

As Pinochet began to instate economic policies that opened the country to foreign investment, companies that served the interests of internationals began to rake in massive profits. This allowed for the Chilean economy to compete on the global playing field, while still leaving the working class scraping by, unable to access the benefits that the high GDP afforded to the elite. As modern supermarkets opened across the country, Chile was internationally renowned as an “economic miracle” and became a hotspot for foreign investors looking to employ working class Chileans. These companies receive tax breaks without needing a Chilean partner in the region and while they employed many working-class Chileans, salaries remained stagnant at only 433 USD monthly.

The emergence of these transnational markets have reshaped the traditional diet and although traditional dishes are still a staple, American junk foods and other imported

ingredient replacements offer low cost, although significantly less healthy, food options for Chileans.

The impact of this new, less healthy diet cannot be overstated. Rates of diabetes and obesity have skyrocketed since the dictatorship ended, and as Chileans are getting sicker, pharmacies have stepped in to treat the symptoms for huge profits without addressing the cure. This never-ending cycle illustrates how the open market has been able to exploit Chilean working people within an extremely short amount of time and how the working class is being drained for every last penny.

Chilean activists are acutely aware of the Pinochet dictatorship's long-term impact on the economy- many policies created under the dictatorship are still solidly in place, making it easy for the police to be mobilized against the working-class movements addressing inequality and other social, economic, and political problems. The US intervention in the Chilean economy under Pinochet was extensive, and it has been well researched, and although the dictatorship was successful in performing an economic miracle in Chile, the consequences for working class Chileans have been severe.

More recently, supermarkets have become targets for protestors as symbols of the neoliberal market driving the growing wealth gap in Chile. In the midst of recent protests that have emerged against neoliberal policies, these supermarkets have become a primary target for revolutionaries that want to reclaim the local economy and way of life.

Although many have praised the westernization of the market for a greater range of foods to select from in larger quantities, these supermarket prices are sky high compared to their locally owned counterparts- instead of matching prices to the average income of Chileans, these corporations sell their goods at the same prices we see in supermarkets

across the United states. Though the cost of food has risen significantly, average income has remained stagnant, causing a massive rise in credit card debt as credit card companies step in to implement payment plans for purchases as small as eggs, bread and milk, proving that availability does not equate to accessibility. Corporations such as Walmart and Jumbo have gone so far as to Hispanicize their names in order to integrate themselves within the culture- a move that had ultimately been successful before Chileans began to feel the consequences of their integration. As local businesses, corner stores and family operated restaurants quickly disappear throughout the region, Chileans have begun to question their government's obsession with westernization and profit, which neglects the local traditions around food and family that are so integral to Chilean culture.

This thesis will look into the moment these neoliberal policies were put into place and track some of the changes in customs, culture, and local business related to food consumption, distribution, and consumption to draw a connection between the growing inequality in Chile and how the policies of the Chicago Boys (economists during the Pinochet era) opened the market to foreign businesses without a thought for how these policies might affect the local business, health, customs and culture of the working class.

## I. The traditional Chilean diet

The simple, nutrient rich and savory dishes in the Chilean diet have been in an everchanging process of fusion and reinvention throughout the past few decades. The traditional dishes are typically a mix of Spanish food traditions mixed with Chilean

indigenous Mapuche traditions, which change based on the fruits and vegetables available throughout the seasons. Waves of immigration have brought a variety of influences, most notably German, Italian, French, and, more recently, Peruvian cooking, that have added their own tastes and traditions to the traditional meals, like “once’s” the 8pm British influenced teatime that acts as the third and final meal of the day.

The variety in food and culture is reliant upon its ability to survive in the market- as corporations slowly integrate themselves into many of these traditions with western “ready-made” foods. The long term effects of their consumption have compromised people’s health and despite economic development, malnutrition has persisted as one of the leading causes of health problems in Chile. Companies like Nestle, General Mills, Pepsico, and McDonalds have become staple to the diet, with iconic ads that specifically cater to the average Chilean consumer.

As high calorie, low cost foods begin to integrate themselves into the culture, Chileans are beginning to reckon with the economic and cultural consequences of its intermarriage with the traditional diet.

Beyond the inherent risks that impact all people eating these foods, research has shown that the western diet is more likely to cause diabetes, obesity and heart problems in first generation Latinos living in the United States than in Americans who have been eating junk food for economic reasons. This data suggests that the rapid introduction of these foods into Chile would have more devastating health effects than the effects we have seen in the general population of the United States. We are now seeing a surge in obesity, diabetes and other heart related problems in Chile, a number that has exploded since the end of the Pinochet dictatorship and the transformation of Chilean culture that

took place in its aftermath, making it “more western” and widely acclaimed as the “exemplary economic model of Latin America”.

I will examine next how the legislation under the “Chicago Boys”, economic policy makers for Pinochet, have come to affect the health and wellbeing of Chile and how Chileans are fighting back against the policies aimed at westernizing the culture and further stratifying social classes.

## II. Food Scarcity, Political Complot and Foreign Intervention

In order to understand the rigorous neoliberal tactics in the market today, it is necessary to understand how food scarcity and malnutrition was weaponized against the working class in the 1970’s to exert foreign control over the Chilean government and economy.

In the 1960s’, Chileans suffered from a range of health problems that were inextricably linked to the economic welfare of the state. In a paper on *Health in Chile* by the International Mail Pouch in 1962, Public Health reports stated that “most of Chile’s health problems are interrelated with social and economic conditions [...] the caloric deficiency in the average diet is estimated to be 11%” and of children entering hospitals, “20 or 25% are suffering from considerable degrees of nutritional deficiency”(page 821 *Health in Chile*).

In 1970, Salvador Allende sought to address these high levels of malnutrition with sweeping reforms that aimed to redistribute wealth and economically empower the working class. Allende nationalized many of the large industries including the copper



industry and the healthcare system, and in an effort to build “the Chilean way to socialism,” he implemented programs that redistributed the land, gave free milk to children and made sure that poor families had access to food. Industrial production increased at a rate of 11 to 12 percent, unemployment was cut in half and the “economic wellbeing [of the country] undoubtedly improved” (Rosenstein 9).

These socialist reforms were a major concern for the United States government. Amid the cold war era, the United States was fearful of the spread of communism across Latin America following the example of the Cuban Revolution (1959). As an antidote, the U.S. launched the Alliance for Progress under the short-lived Kennedy presidency, which continued after the fact to enforce an aggressive foreign policy of economic, political and even military interventionism in order to “maintain stability” in the region. In the specific case of Chile, the U.S. strategic foreign policy plan came to fruition with a military insurrection against Allende, and Pinochet’s subsequent 20-year dictatorship, with long-standing effects remaining in today’s neoliberal policies supported by extensive privatization of national resources and an open market economy.

As the head of the Popular Unity party, Allende had been elected because of a close three-way race to the presidency in 1970. His government came as a sudden shock to 60% of the population. The plurality vote caused his first year of presidency to be mainly characterized by middle- and upper-class panic as wealthier Chileans worried about the collapse of the country- described by Rosenstein as a “Fin de siècle mood” meaning “Tomorrow we die” (Rosenstein, 8).

Despite Allende’s unfavourability with the United States and the economically privileged classes of Chile, “Chile achieved reasonable rates of economic growth and

experienced important social and political changes [during Allende's presidency] boasting unusually progressive records of social legislation in such areas as social security, public health and education" (Solimano, 495). These reforms allowed for a significant amount of income to be redistributed to the lower classes, triggering a sharp increase in demand "particularly for food" (Solimano 503).

This situation created the perfect situation for local business to capitalize on the increase in demand. Using available income, price statistics and calculating expenditure elasticities for a wide variety of food items, "Machicado estimated that consumption had increased by approximately 10 percent from 1969 to 1971 among Chile's lowest income group" (Solimano 504).

According to conservative analyst Rosenstein, the increase in purchasing power under Allende led to a series of economic dilemmas as Chilean agriculture and manufacturing were unable to keep up with the increase in demand. The government began to import foods to meet consumer needs but was still unable to satisfy the growth in demand. Nationalized markets kept prices low and led to an insurmountable debt in foreign exchange:

Allende won the battle of consumption but lost the war by not fighting the battle of production... if the redistribution of income had been half of what it was, and had it been coupled with other measure, it might have been sustained. As things were, it led to a foreseeable growing scarcity of goods. *(page?)*

On the contrary, Allende's supporters claimed that food shortages were purposely created by opposing foreign powers in order to overthrow the socialist government.

This theory is backed by records that have since been released in a staff report created by the select committee to study governmental operations with respect to intelligence activities.

In 1975, the committee reported that “Covert United States involvement in Chile in the decade between 1963 and 1973 was extensive and continuous.” The report continues saying that “the Central Intelligence Agency spent \$3 million in an effort to influence the outcome of the 1964 Chilean presidential elections. Eight million was spent, covertly, in the three years between 1970 and the military coup in September 1973, with over \$3 million expended in fiscal year 1972 alone” (1975 Church Committee Report). The evidence of U.S. intervention is overwhelming and undeniable- the “Special Review Committee”, chaired by Henry Kissinger, claimed rigorous intervention was necessary in order to stabilize Chile’s government and economy. It is ironic then, that food shortages and false scarcity were implemented to weaponize the working class against Allende’s government.

In an article by the New York Times published in 1973, it is reported that a 23-day strike by the National Confederation of Truck Owners created mass panic and deep economic consequences for local agriculture and access to food. “This is a political strike aimed at overthrowing the Government, with the help of imperialism,” said Gonzalo Martner, Minister of National Planning and one of the chief policy makers for President Salvador Allende Gossens's socialist Government (Marvine Howe, 1). Supporters of the Popular Unity claimed that these strikes were financed by the United States government, although there is no clear evidence to back this claim besides the records of 8 million in

U.S. expenditure in Chile between 1970-1973, as reported in the 1975 Church Report investigating CIA activity in the region. As reported in the 1973 NYT article:

The official report on the walkout, published by the National Office of Planning, said that half of the country's more than 40,000 trucks were off the road. The striking truckers maintain the industry is totally paralyzed. [...] Agriculture will be the hardest hit, according to the report. It forecast the loss of 50 per cent of farm production, particularly in milk, poultry and cereals. Losses have come from shortages of seeds and fertilizer and the breakdown in distribution (Howe, 1).

Observers point out that farm production was already declining because of confusion caused by land seizures under the agrarian reform program.

The drastic changes in agrarian land ownership and new liberties given to the working class spurred mass panic and confusion after the middle class “honeymoon period” under Allende. As many workers did not know how to manage the land, resources and wealth that had been granted and redistributed under the Agrarian reforms spurred a fear of change and a subsequent counterrevolution: “The Inquilinos didn’t have education- they were burning neighbors’ land, killed all of their livestock for big feasts and began a war over who got what land” (Casals, 50).

My mother’s uncle worked at one of these *Inquilinos* (massive landowners that paid farmhands in surplus harvest) and living in the countryside where much of this land was redistributed, she witnessed the sudden shift in Allende’s favorability as people became fearful of these rapid changes and the ensuing chaos:

With so many resources, they went kind of crazy and didn’t know how to manage the land. They began to kill the cows and the sheep and didn’t know how to manage their harvest and make good decisions with their resources. They got drunk on freedom.

People were saying: 'we prefer how things were before- this is not what we wanted'.  
(Fuentes, Luz Eliana. Interview. 2020).

The trucker strike led to the demise of many popular social programs under Allende, including the building of 80,000 houses and the daily milk program for 1.5 million school children (Howe, 1).

The food shortages and chaos in agriculture were particularly effective in turning Allende's lower income base against him, as, before the shortages began to occur "the bulk of low income Chileans believed that he had improved their conditions and represented their interests, and the growth in support for his coalition reflected his political ability as well as the popularity of his measures" (Church, 45). Despite Allende's potential for stability and success, the United States continued with its efforts to upend the government by manipulating social movements and access to resources for the working class. Worker strikes and community protests, many of which are now concretely proven to have been funded by the CIA, cropped up across the nation to oppose the Popular Unity.

One such example, is the "March of the empty pots"- a women's march funded by the United States to protest the food shortages in 1971 (Church, 60). The Christian democratic party and the National party were given instruction to flood the streets banging empty pots and pans with spoons, demanding an end to the socialist regime. The irony in this protest is that these protestors were mainly upper- and middle-class women, who would not have experienced the food shortages as harshly as working-class Chileans, who represented a much larger portion of the population. However ironic it

may seem, these protests were an essential element of the growing distrust for Allende in the years before the coup.

When foreign governments are looking to influence, persuade, and control the masses, propaganda, bribes and collusion will undoubtedly be used, but controlling the availability of food is what holds the most immediate power over the working class. This claim is backed by the special committee's report, stating:

The United States government adopted a policy of economic pressure directed against Chile and in this connection sought to enlist the influence of other American businessmen (Church, 13). This entailed using the State Department to convince American businessmen to "take actions in accordance with the American governments policy of economic pressure on Chile (Church, 13)

This period of food scarcity caused a panic across every economic class, although unsurprisingly, it mainly affected the working class, as upper- and middle-class Chileans were able to purchase items off the black market and sustain their daily needs without having to ration or seek help from church charities and communal pots.

When the elites are able to control the scarcity and availability of food, the working class is deeply vulnerable to experiencing drastic lifestyle changes that affect how they relate to one another and to their culture. My grandfather, for example, who provided for 8 children throughout the Allende and Pinochet governments, complains that food was scarce under Allende and unattainable under Pinochet. Had Allende's government not been tampered with by United States intervention, it is still hard to know whether these transformations could have been successful and led to working class upward mobility.

In 1973, the upper and middle class led an insurrection against Allende's Popular Unity, culminating with the death of Allende and Pinochet's ascension to power via a bloody coup d'état and ensuing terror regime that costed the lives of ...[approximate number of Chileans killed]...and the exile of many more.

### III. The Dictatorship and the Chicago Boys- How Chile became an emerging market for western interests

Upon Pinochet's ascension to power, strong neoliberal reforms were implemented by the government to model the country after the United States and Milton Friedman's "free market" ideology. Neoliberalism refers to government policies aimed at growing the country's wealth and capital through privatization, a free market, deregulation, and government austerity in social programs. In Chile's context, this was a radical change from the Allende's government, which was primarily based on social programs and placed less emphasis on globalizing the Chilean economy.

"[Pinochet] basically transformed the labor market in Chile and destroyed and displaced any manufacturing job that existed in Chile at the time" (Jones). With the help of the United States, Pinochet's goal was to privatize all of the country's public assets and eliminate any socialist ideas and principles remaining from Allende's government.

This was accomplished by transferring most state operated enterprises to the private sector, resulting in "reduced government controls on prices and imports".

Social programs aimed at redistributing the wealth disappeared, resulting in a “severe decline in purchasing power among lower- and middle-income groups, a high concentration of economic resources, a contraction of industrial production and extremely high levels of unemployment in both urban and rural areas” (Solimano 504).

There are no studies that provide statistics on the levels of malnutrition caused by the decrease in purchasing power under Pinochet, however, medical doctors and others working in public clinics observed “marked increases in the number of malnourished infants”, suggesting that food consumption had significantly decreased during his presidency for lower income families (Solimano 504). Beyond these observations, knowing that economic wellbeing is inextricably linked to nutrition is a key component in understanding the sharp increase in malnutrition under Pinochet. With lower income families experiencing a 25% drop in salary between 1973 (the fall of Allende) and 1976, and a 50% drop in purchasing power, we can predict that this change in salary is directly related to the observations of malnutrition reported by medical professionals (Solimano 504).

It is astonishing that, in a country where a socialist president had once been democratically elected, electricity, phone companies, education, health care, and the pension system are all now privatized. Because of this massive privatization, Chile is often discussed as being one of the most neoliberal countries in the world:

There is a very committed right wing in Chile. Some of them still adore Pinochet. And then the liberals: “Of course, I’m not for the human rights violations, but the



dictatorship basically created an economic miracle.” That’s a very common narrative in the generation of the ’80s. They saw the country change. I mean, everyone has a TV and a smartphone in Chile, so that gives you a sense of a developed country. And then we have a very high per capita income, but it’s completely unequally distributed.” (Jones 1)

This dilemma is well explained in Jennifer Gandhi’s book *Dictatorial Institutions and their Impact on Economic Growth*: “Some countries experience phenomenal rates of economic growth while governed by dictatorship [...] in spells of dictatorship, or consecutive years of dictatorship within a country, average annual growth rates range from -11.21 percent to 12.06 percent. In contrast, democratic spells never witness averages below -6.70 percent or above 9.34 percent” (4). Gandhi explains this rapid growth by pointing out the drastic measures dictators use to protect their rule. In order to silence opposition from foreign countries and from powerful elite, extraordinary privileges are bestowed upon these influential members of society.

In the case of Chile, the United States was granted easy access to the economy and reaped massive benefits from the country’s emerging industries during the dictatorship. The growth in GDP signaled to the world that the dictatorship was necessary and successful in bringing Chile out of the supposed “dark ages”.

As with all dictatorships, censorship and media control silenced Chileans speaking out about the kidnappings, rumors of torture and police brutality in the streets. The effect in today’s economy, is the overwhelming privatization of resources, a *laissez*

*faire* attitude towards foreign involvement and the stark wealth gap impacting the working class.

Today's orthodox open market economy is deeply rooted in the economic reforms that took place under Pinochet. The reputation of Pinochet's "economic miracle" remains a fierce counterpoint to protestors claims that things have not improved, and with Pinochet's constitution still solidly in place, elites are empowered to point back to these economic reforms as the primary reason for the increase in opportunity afforded to the working class.

However, while supermarket prices compare to prices in the United States, the peso has declined by 23% against the dollar since the high in February 2018, mainly due to a 20% fall in the price of copper since the beginning of 2018. Although Chile is often considered to be to be a wealthy country for Latin American standards, it has one of the widest income inequality gaps in the world "65% wider than the OECD average" according to a report in Reuters (Jones, 1).

In conversation with my mother, she tells me that "we Chileans feel shorted". She continues, saying, "They say abroad that we are the most economically developed country in Latin America- as access to education has improved and now people understand that we deserve better. If we are highly educated, highly developed and plugged into the western world, why is it that we struggle so much? We go to Peru and we see that people live better than us, now having access to the internet, people are more aware of their rights and the potential for a better life. People are seeing the GDP and demanding that the working class get our share of that wealth". In short, Chileans are angry because the country is rich but the majority of people are overwhelmingly poor.

Since the beginning of the Chilean state, elites have controlled the country and shaped the policies that exist today. The top 1% holds 33% percent of the country's wealth according to the World Bank, a group of elites that is made up of a few families controlling the politics and flow of wealth for the entire country (The Nation 1). The government's relationship to private money has never been a secret and government corruption has been a long running joke in Chilean households.

In an interview with *The Nation*, the country's leading journalist Mónica González states that: "The level of discontent does not surprise me. Since 2011 there have been a series of huge, multimillion-dollar financial scandals involving the major economic actors in this country. These scandals have resulted in no jail time for anyone. So, you have this series of scandals that shook people, and the impunity provoked great indignation. The cumulative effect of that indignation resulted in this current social explosion" (Kornbluh 1).

The "current social explosion" that Gonzalez is referring to, are the mass protests across Chile that began in 2019 after many years of anger and discontent from the working class.

## IV. What makes these new foods so successful?

Before the collapse of the dictatorship, food scarcity and malnutrition were the primary dietary concerns for working class Chileans. In order to "solve" this problem, multinational companies stepped in to provide a solution in the form of low cost, nonperishable foods. Even with an increase in purchasing power since the dictatorship, malnutrition remains a massive problem in the new Chilean diet. These low-cost foods

present a new threat to the population as they replace the Chilean diet with cheaper, more accessible takes on local dishes.

This is not to say that Coca Cola and other big-name brands did not exist in Chile before the 90s, but they were not huge staples in the diet and access was scarce to limited. “if we had coca cola in the home, it was for a very special occasion. Snacks like chips and other processed foods certainly didn’t exist, at least not that I knew of. These kinds of snacks were inaccessible to us.”

In the Chilean film, “Machuca” (2004), director Andrés Wood illustrates how access to certain foods related to class during the dictatorship. In the film, the upper-class boy Gonzalo Infante goes with his father to the black market, where they walk past long food lines outside local markets to pick up bags of chips, candy and sweet treats from the backdoor warehouses of the black market- only available to the middle and upper classes. Gonzalo’s lower class, indigenous, friend, Pedro Machuca, goes to Gonzalo’s house after school and is fascinated by all the food and snacks in their home- he eats the black-market treats with ravenous excitement as Gonzalo looks on with confusion and light amusement.

It makes sense that my mom wouldn’t know that these foods existed during the dictatorship in her small rural town in the countryside of Chile. These foods were only available to a select group of the elite before the 90s and only became available to the masses when the dictatorship finally ended and transnational corporations like Walmart began to appear across the country.

Some examples of this new diet include the popularity of Coca Cola, a cherished drink, with every meal- flan in individually packaged *Soprole* containers, *pan batido* and

*marraqueta* bread, perhaps the most important element of the Chilean diet, exchanged for Walmart brands instead of the homemade goods provided at local *almacenes*- the list of replacements goes on. What Walmart has successfully done in Chile, is conform to the preexistent culture while offering cheap and convenient alternatives to cooking or having to shop at multiple different specialized stores like in the past. These specialized stores are slowly disappearing across the country, unable to compete with foreign investors who receive tax breaks and use the USD to invest in an economy with a significantly lower exchange rate.

In an article about the emerging industrialization of the Latin American diet, Anthony Winson, a professor of food economics at the University of Guelph in Ontario told *The New York Times*, “The prevailing story is that this is the best of all possible worlds — cheap food, widely available. If you don’t think about it too hard, it makes sense [...] the reality of the situation is much different” said Winson. “To put it in stark terms: The diet is killing us” (1).

As with the case of Pinochet, the research surrounding malnutrition has primarily been sourced by the observations of health professionals noticing increases in diabetes, bad heart health and obesity.

Privately funded research studies are unreliable, as, according to the *Journal of Public Health and Safety*, food and beverage industries have established financial relationships with research institutes to “protect product sales in Latin American and deflect criticism of their marketing practices, funding research, research institutes, health professional conferences and academic journals” (Barnoya, 553).

Through the neoliberal organization of the economy, food industries are able to lobby and use the courts to “oppose legislation aimed at educating the public to reduce consumption of unhealthful food products”. And since Latin American countries do not require researchers to disclose sources of funding, this corruption goes unnoticed by the public (Barnoya 504). Instead, the onus is placed on the individual consumer to make healthful choices when purchasing foods, a choice that is limited by income and the corrupted education of what healthy choices look like.

PepsiCo’s relationship with research institutes like INCAP is a major conflict of interest, one that promotes a misunderstanding of the negative health consequences of the sugar sweetened drinks and shields consumers from making better choices in their diets.

With research from medical professionals, more transparent numbers on the effects of these foods can be evinced, with public health officials finding that “between 1975 and 1989 the proportionate and absolute increases in obesity were much greater for lower income populations. In a survey of 4,241 people in Santiago, Chile, similar situations have been reported” (Schneider 48).

## V. The tactics of the market- How to Keep Consumers Buying

Multinational companies focus on emerging markets to grow their stock and integrate themselves into the country’s western idea of “progress”. This makes Chile a particularly ferocious target for investors- a country that is internationally known as the

“safest” country in Latin America, the “economic model” of the region and even the “most western” Latin American country.

This is an opinion built from the blueprint of the Chilean government itself; modeling Chile after European and western countries has been a perpetual goal since the formation of the state. And so, it makes sense that when multinational companies are looking to expand their markets to different regions, Chile would be the best candidate for the biggest investments.

Walmart purchased the chain supermarket “Líder” in 2009 and two years later, announced they would be investing 700 million for the next 3 years into the region, opening 50 stores nationwide within that time frame.

In March 2017, Walmart said it would invest 800 million in Chile to open 60 new supermarkets, promising to keep prices low. Walmart Chile general manager Horacio Barbeito saying, “We are confident in the future potential of the country, and we are convinced that spaces exist to continue expanding our low-cost model,” (Reuters 1). There are 377 stores operating in Chile as of July 2019, a jaw dropping level of growth within a relatively short time frame (1).

What we have seen in these policies aimed at bolstering the Chilean GDP, are increasingly lax regulations that incentivize foreign investment into the region without considering the long-term success of its citizens. One such policy is the creation of “Simplified Limited Companies”, which allow foreigners to start a business or joint stock companies in Chile without needing a local partner from Chile.

According to Santander Trade, an investment company aimed at providing research to foreign investors, “Chile’s foreign investment policy is based on simplicity,

transparency and non-discrimination towards foreign investors”- meaning that Chile’s citizens are set on the same playing field as wealthy foreign investors in their own country (Santander Trade, 1).

Despite huge improvements in education and student rights, access to higher education has not allowed for very much upward mobility.

In Florencia Torche’s *Unequal but Fluid: Social Mobility in Chile in*

*Comparative Perspective*, this issue is explained in that “higher inequality seems to be associated with lower mobility” and any mobility achieved is “largely inconsequential, because it takes place among classes that share similar positions in the social hierarchy of resources and rewards” (3).

Debt has risen to an all-time high in Chile, where pension plans, high cost of living and meager wages have caused working class people to turn to credit card companies to help ease the load. In an article on the Chilean economy in the Wall Street journal, Juan Forero interviews a 28-year-old kindergarten teacher who says “we’re all living in debt, we have to pay higher electricity bills, water bills, all the services. And we just don’t make enough” (Forero, 1). Predatory techniques, glamorous advertising and a lack of regulation have allowed credit card companies like Polaris to prey upon working class Chileans with growing intensity every year. Economically vulnerable demographics like young and poor people are targeted in an unrelentless barrage of advertisements to sign up for credit cards promising economic freedom and easy payment plans to lighten the load until their next monthly paycheck.

The shocking practices of these credit card companies include raising interest rates and extending loan terms without consumers knowledge, leaving 418,000 Chileans with massive amounts of debt and an inability to seek bankruptcy protection (Barrionuevo). Interviewed by *The New York Times*, filmmaker Osvaldo Oyarce declares:



“We have turned ourselves into modern slaves. National economic success has come at a cost: A population that is highly indebted, with high levels of depression and frustration” (Barrionuevo 1).

These credit card practices have extended to the supermarkets, where consumers are able to buy their groceries “con cuotas” split into a payment plan or “sin cuotas”- paid in full. When Chileans pay “con cuotas”, purchases as small as a week of groceries are spread out into a payment plan. In addition to the value of the product, you are charged monthly for the insurance of deduction, maintenance, membership, physical shipping (if you are not affiliated with virtual shipping), compensatory interest (the which is paid for outstanding balances) and / or the default interest (which will be charged if you do not pay even the minimum amount).

<sup>i</sup> [These predatory practices have affected women and men at the same rate, although 73.3% of households have women as the primary breadwinner and women are paid 20% less than men, as reported by Chilean news channel Upla in a study led by the University of Playa Ancha.

## VI. Chileans fight back 2019- “Chile wakes up”

Among growing discontent from low wages and government corruption, the new subway fare hike under Piñera was the straw that broke the camel’s back. In an interview with a Chilean protestor in the New York Intelligencer, Sarah Jones writes “a new subway fare hike [...] represented something more than an inconvenience to the people of Chile — it became a symbol of that stark wealth gap, and subsequently, a rallying point for protesters” (Jones, 1). Protestors began demanding for the government to not only drop the fare hike, but to change the corrupt and exploitive policies that president Piñera, the extravagantly wealthy owner of the biggest Chilean airline LANAM, has continued during his presidency.

On October 19, 2018 a group of protestors began to vandalize infrastructure in Santiago, the capital of Chile. They disabled the metro system, destroyed public property and filled the streets in a protest that quickly grew to a national level, spreading to other big cities like Concepción, Rancagua, Punta Arenas, Valparaíso, Iquique, Antofagasta, Quillota and Talca, among other smaller cities. Looters began to take over supermarkets, stealing goods, throwing rocks and setting them ablaze with Molotov cocktails, at a scale that Forero is calling “the greatest challenge to a Chilean government since dictator Augusto Pinochet faced demonstrations and a referendum that ended his regime nearly 30 years ago” (Forero 1).

Chilean protestors see these massive supermarkets as symbols of the inequality ravaging the country, with an income gap now “65% wider than the OECD average”

according to Reuters. Where grocery stores were once locally owned by neighbors and small businesses, these massive transnational companies have raised the price of goods to levels that are unaffordable for the average household.

According to reporter Serenah McKay for the Democrat Gazette, Walmart has sought help from the Chilean government to protect them from protestors, riots and violence. Walmart Chile released a comment to news outlets reporting that “34 of its supermarkets have been set on fire, with 17 of those destroyed- in addition, more than 1,200 acts of looting and arson have affected 128 stores” (McKay, 1).

So, what can the Chilean government do to curtail this regional epidemic of poor nutrition? The situation may seem bleak, but policy makers are fighting back with new laws intended to curb obesity, where three quarters of the population are overweight or obese.

When I lived in Chile as a young girl, every school had a kiosk shelved like a child’s dream: lays chips, coca cola, ice cream, and palitos, which I didn’t particularly like, but I bought nearly every week in order to get the cheap plastic toys that were advertised on the bag. In the new laws, chips and soda have been banned from all schools, and chip bags carry large black warning labels akin to the labels on cigarettes we see in the United States. Kinder eggs have been banned entirely, and companies are no longer allowed to put toys in their chip bags to lure young children into buying their products.

Beyond this, a new tax has been imposed upon Coca Cola, making it one of the steepest soda taxes in the world. This all sounds great, but what has the response been from the general population? In many households, Coca Cola has replaced tea, mate, or

coffee as the standard drink, and although this could be attributed to a change in taste prompted by modernization, the truth is that these countries are in the midst of a culture war, where western media's ability to pump huge amounts of money into marketing has affected local business and kiosks struggling to hold on to the home goods they use to sustain themselves and their families.

Many Chileans feel that these policies are too aggressive, and that people should be able to make their own decisions in buying certain foods and avoiding others. In response to this, I would point to cigarette sales in the United States, which use similar methods of labeling and taxation. With the introduction of these campaigns to Florida, smoking fell by 19 percent between 2011 and 2013, and from 20 percent to 16 percent nationally between 2005 and 2014 (Tobacco Free Florida). The best part about these stats is that food is addictive, but not as addictive as cigarettes, meaning that a couple of months of a clean diet could be enough to change your habits for life. In this war, it will be up to the people to demand public health reforms that educate future generations about proper nutrition, as well as demanding that research institutes disclose their sources of funding to the public to address misinformation.

To address the root issue, which is primarily economic, governments ought to invest in the people of their country rather than foreign business, blocking American and Western companies from using wealth to overrun their citizens. Although it is unlikely that Latin Americans will return to the farming methods of pre-dictatorship times, there have been political food movements since the 1960s that sought to integrate traditional ingredients and practices into the post-colonial food. This gives hope for the future, as Latin Americans have shown strong resistance and political involvement over the past

few years. Although the history of authoritarian governments and colonial rule has left a permanent mark on the health of Chileans, the result of this has been an acute political consciousness in people from all walks of life, making the steps ahead a question of political resistance and grassroots activism to change their constitution and demand a healthier country and as well as a fair economy.

## I. The Relationship Between Food and Power Across the Globe

To note that this isn't only a problem in Latin America, we have seen similar debates take place around the transformative powers of food in Africa, where organizations have been criticized for introducing western grain to indigenous populations- transforming roving hunters and gatherers into sedentary societies who cannot produce their own food but must sell their labor in order to buy cheap western food that will ultimately make them sick.

Economically motivated changes in agriculture continued to change the landscape throughout the centuries. In the 1870's, new crops deemed profitable, like bananas, were brought to the Americas. A sea captain Lorenzo Dow Baker was able to sell the bananas for 1,000 percent profit and eventually, the Chiquita banana company was able to establish a food dictatorship that has now been coined "the Banana Republic". In the 1960s, neoliberal policies encouraging free trade created a multitude of crises for rural farmers. Unable to compete with bigger farms in the global market, more farmers began

to grow feed instead of food, designating large plots of arable land for livestock over people. The idea behind this method is that free trade policies will increase competition and lower prices, making food more accessible for poor populations. Although this is a reasonable plan in theory, there has been no evidence to suggest that this has been successful. Instead, both famine and obesity have been the result of this system, where countries are operated like businesses and natural resources are deemed valuable by their global market price over their usefulness to the country itself. Arable land is used for cash crops rather than sustenance, and the economy is transformed to become dependent on outside business relations. Since the 1960s, inequality has been steadily growing in rural populations “exacerbated [recently] by the sharp increases in basic food prices in the past ten years” (Oxford Journal). Where malnutrition was once the concern, obesity has taken its place- two issues that are connected to the same problem. With the United States’ wide span of intimidation and influence, many of our domestic problems come to have an effect on the countries that are connected to us. This is proven in the case of Bolivia during the 1980s, where indigenous farmers from the Chapare and las Yungas were criminalized for growing coca leaves as part of the escalating war on drugs in the United States.

Bolivia was the third largest grower of Coca behind Columbia and Peru, and the United States believed it could control the influx of cocaine by cutting the source at its root. However, in Bolivia, the coca leaf was not being chemically processed into cocaine at that time. For farmers and growers, coca is a traditional and ceremonial leaf that is used for chewing, making tea and burning in ceremonial rituals and is comparable to drinking a cup of coffee, helping with bodily aches and stress induced by hard labor and

high altitudes. With the aid and instruction of the United States, coca fields were burned to the ground, ending in the Villa Tunari Massacre in 1988, as the indigenous coalitions protested to protect their crops and their livelihoods.

Beyond the aggressive intervention of the military, economic intimidation is another common tactic used to sway the traditions and customs of a culture. In the case of the World Bank, their motives are not malicious from an outside perspective. However, the bank is an important part of the history of predatory lending institutions that use crisis in order to foster dependency upon western solutions for accessible food and water. This ends in failed outcomes as their methods of intimidation do little to address the history of political instability that contributes to inequality in Bolivia. After the CIA backed dictatorships in the 70s, hyperinflation struck the country and led to an unstable government that could not provide clean water access to the poorest neighborhoods in Cochabamba. Bolivia owed more than 3 billion dollars in foreign debt, and the IMF was anxious to see their return- The IMF intimidated the Bolivian government to curb spending on low-income workers who rely heavily on public services- “IMF loans aimed to reduce the fiscal deficit through budget cuts which primarily resulted in the reduction of social spending,” Patricia Miranda from the Bolivian-based NGO Fundación Jubileo told teleSUR. In 1999, the World Bank “highlighted water privatization as a requirement for the Bolivian government in order to retain ongoing state loans” (Gordon). Although this was intended to increase access to water, it became unaffordable for low income communities, and did little to improve accessibility in other regions, resulting in a series of violent protests that ended in deaths and destruction across Cochabamba. Although the World Bank is cast as a humanitarian figure for struggling countries, their true role was to

capitalize from the fallout of western imperialism and the failed governments imposed by the CIA in the 70s. This cycle of inducing crisis in order to provide financial support is a common theme throughout the authoritarian, colonial history of the continent. Although colonial times and the 20th century are separated by hundreds of years, the economically motivated action to assimilate Latin Americans for western product consumption follows many of the same tactics under a similar mindset. Historically, this must first be done by changing the customs of these people. The assimilator imposes new products, customs or laws by monopolizing the industry with their massive resources or by using violence, fear and intimidation to the point where people have no choice but to give up their traditions. Companies like Nestlé, PepsiCo and General Mills have found aggressive and inventive ways to spread their influence throughout the continent, “unleashing a marketing juggernaut that is upending traditional diets from Brazil to Ghana to India”. According to Nestlé, overeating is a natural side effect of suddenly being able to afford a large amount of food at very low prices, but the company says it strives to educate consumers about proper portion size and to make and market foods that balance ‘pleasure and nutrition’’. Their benevolent framing of the situation pretends to address the root issue- “If I ask 100 Brazilian families to stop eating processed food, I have to ask myself: What will they eat? Who will feed them? How much will it cost?” (NY Times). More people may have access to inexpensive food, but the question of nutrition has not been answered- instead of dying from famine, millions of people are dying from heart disease and obesity. Ahment Bozer, president of Coca Cola views the world as an untapped audience to consume his products “Half the world’s population has not had a Coke in the last 30 days,” he said. “There’s 600 million teenagers who have not had a Coke in the last week.



So, the opportunity for that is huge.” This untapped market screams opportunity to business moguls but has devastating effects beyond just the consumption of a drink that causes heart disease, diabetes, and obesity. Coca Cola has come under fire for depleting water sources in countries like Brazil, Mexico, and Guatemala. The environmental effects of these business are devastating and do little to redistribute wealth back into the country. As long as their products remain cheap, these companies are able to keep their status as providers for the poor. “The prevailing story is that this is the best of all possible worlds — cheap food, widely available. If you don’t think about it too hard, it makes sense,” said Anthony Winson, who studies the political economics of nutrition at the University of Guelph in Ontario (Jacobs).

## Bibliography

- American Herald Tribune. "Bolivia Declares 'Total Independence' From World Bank And IMF." *MintPress News*, 24 July 2017, [www.mintpressnews.com/bolivias-president-declares-total-independence-world-bank-imf/230062/](http://www.mintpressnews.com/bolivias-president-declares-total-independence-world-bank-imf/230062/).
- Alvarez, Linda. "Colonization, Food, and the Practice of Eating." *Colonization, Food, and the Practice of Eating*, [www.africaspeaks.com/reasoning/index.php?topic=11096.msg26206](http://www.africaspeaks.com/reasoning/index.php?topic=11096.msg26206).
- Barnoya, Joaquin, and Marion Nestle. "The Food Industry and Conflicts of Interest in Nutrition Research: A Latin American Perspective." *Journal of Public Health Policy*, vol. 37, no. 4, 2016, pp. 552–559. *JSTOR*, [www.jstor.org/stable/44203406](http://www.jstor.org/stable/44203406). Accessed 19 Apr. 2020.
- Barrionuevo, Alexei. "Rise of Consumer Credit in Chile and Brazil Leads to Big Debts and Lender Abuses." *The New York Times*, The New York Times, 23 July 2011, [www.nytimes.com/2011/07/24/business/global/abuses-by-credit-issuers-in-chile-and-brazil-snare-consumers.html](http://www.nytimes.com/2011/07/24/business/global/abuses-by-credit-issuers-in-chile-and-brazil-snare-consumers.html).
- "Chile: Foreign Investment." *Foreign Investment in Chile - Santandertrade.com*, [santandertrade.com/en/portal/establish-overseas/chile/foreign-investment](http://santandertrade.com/en/portal/establish-overseas/chile/foreign-investment).
- Church, Frank. *Covert Action in Chile, 1963-1973: Hearings before the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, of the United States Senate, Ninety-Fourth Congress, First Session*. Vol. 91, Mary Ferrell Foundation Press, 2007.
- DeFrance, Susan D. "Diet and Provisioning in the High Andes: A Spanish Colonial Settlement on the Outskirts of Potosí, Bolivia." *International Journal of Historical Archaeology*, vol. 7, no. 2, 2003, pp. 99–125. *JSTOR*, [www.jstor.org/stable/20853019](http://www.jstor.org/stable/20853019). Accessed 16 Jan. 2020.
- GANDHI, JENNIFER. "Dictatorial Institutions and Their Impact on Economic Growth." *European Journal of Sociology / Archives Européennes De Sociologie / Europäisches Archiv Für Soziologie*, vol. 49, no. 1, 2008, pp. 3–30. *JSTOR*, [www.jstor.org/stable/23999106](http://www.jstor.org/stable/23999106). Accessed 20 Apr. 2020.
- "Health in Chile: International Mail Pouch." *Public Health Reports (1896-1970)*, vol. 77, no. 9, 1962, pp. 821–822. *JSTOR*, [www.jstor.org/stable/4591636](http://www.jstor.org/stable/4591636). Accessed 19 Apr. 2020.

Jacobs, Andrew, and Matt Richtel. "How Big Business Got Brazil Hooked on Junk Food." *The New York Times*, The New York Times, 16 Sept. 2017, [www.nytimes.com/interactive/2017/09/16/health/brazil-obesity-nestle.html](http://www.nytimes.com/interactive/2017/09/16/health/brazil-obesity-nestle.html).

Marcelo Casals, The Insurrection of the Middle Class: Social Mobilization and Counterrevolution during the Popular Unity Government, Chile, 1970–1973, *Journal of Social History*, , shz110,

Ochoa, Enrique. "Feeding Mexico: The Political Uses of Food Since 1910 by Enrique C. Ochoa." *Goodreads*, Goodreads, 1 Sept. 2001, [www.goodreads.com/book/show/1983513.Feeding\\_Mexico](http://www.goodreads.com/book/show/1983513.Feeding_Mexico).

RABKIN, RHODA. "How Ideas Become Influential: IDEOLOGICAL FOUNDATIONS OF EXPORT-LED GROWTH IN CHILE (1973-1990)." *World Affairs*, vol. 156, no. 1, 1993, pp. 3–25. *JSTOR*, [www.jstor.org/stable/20672369](http://www.jstor.org/stable/20672369). Accessed 19 Apr. 2020.

Schneider, Dona, and David E. Lilienfeld, editors. "FOOD AND NUTRITION." *Public Health: The Development of a Discipline, Twentieth-Century Challenges*, Rutgers University Press, New Brunswick, New Jersey; London, 2011, pp. 3–54. *JSTOR*, [www.jstor.org/stable/j.ctt1bqzmxz.8](http://www.jstor.org/stable/j.ctt1bqzmxz.8). Accessed 19 Apr. 2020.

Solimano, Giorgio, and Peter Hakim. "NUTRITION AND NATIONAL DEVELOPMENT: THE CASE OF CHILE." *International Journal of Health Services*, vol. 9, no. 3, 1979, pp. 495–510. *JSTOR*, [www.jstor.org/stable/45132091](http://www.jstor.org/stable/45132091). Accessed 19 Apr. 2020.

Special, Marvine Howe. "Chile Calls Truck Strike 'Catastrophic'." *The New York Times*, The New York Times, 18 Aug. 1973, [www.nytimes.com/1973/08/18/archives/chile-calls-truck-strike-catastrophic-chile-says-strike-is.html](http://www.nytimes.com/1973/08/18/archives/chile-calls-truck-strike-catastrophic-chile-says-strike-is.html).

Torche, Florencia. "Unequal but Fluid: Social Mobility in Chile in Comparative Perspective." *American Sociological Review*, vol. 70, no. 3, 2005, pp. 422–450. *JSTOR*, [www.jstor.org/stable/4145389](http://www.jstor.org/stable/4145389). Accessed 27 Mar. 2020.

Kornbluh, Peter. "Why Chileans Are Protesting for a New Socioeconomic Order." *The Nation*, 11 Dec. 2019, [www.thenation.com/article/chile-protests-inequality-pinochet/](http://www.thenation.com/article/chile-protests-inequality-pinochet/).

McKay, Serenah. "Walmart Seeks Aid for Stores in Chile." *Arkansas Online*, 21 Nov. 2019, [www.nwaonline.com/news/2019/nov/21/walmart-seeks-aid-for-stores-in-chile-2/](http://www.nwaonline.com/news/2019/nov/21/walmart-seeks-aid-for-stores-in-chile-2/).

ROSENSTEIN-RODAN, PAUL N. "Why Allende Failed." *Challenge*, vol. 17, no. 2, 1974, pp. 7–13. *JSTOR*, [www.jstor.org/stable/40719194](http://www.jstor.org/stable/40719194). Accessed 20 Apr. 2020.

Sherwood, Stephen, et al. *Food, Agriculture and Social Change: the Everyday Vitality of Latin America*. Routledge, 2017.

Shieber, Jonathan. "The Not Company Is Looking to Start a Food Revolution from Chile." *TechCrunch*, TechCrunch, 28 July 2018, [techcrunch.com/2018/07/28/the-not-company-is-looking-to-start-a-food-revolution-from-chile/](http://techcrunch.com/2018/07/28/the-not-company-is-looking-to-start-a-food-revolution-from-chile/).

"Walmart Announces Plan to Invest \$800 Million in Chile." *Reuters*, Thomson Reuters, 22 Mar. 2017, [www.reuters.com/article/us-walmart-chile-idUSKBN16T1XI](http://www.reuters.com/article/us-walmart-chile-idUSKBN16T1XI).

---